

## Message Text

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PAGE 01 STATE 056024  
ORIGIN ARA-10

INFO OCT-01 ISO-00 SS-15 PM-04 INR-07 EB-08 OES-06 L-03  
H-01 SNM-02 PA-01 PRS-01 /059 R

DRAFTED BY ARA/CAR:JETHYDEN:DR  
APPROVED BY ARA:WHLUERS  
D/LOS:DCOLSON  
EB/OMA:CERVIN  
ARA/MGT:RGERSHENSON  
NSC-IG/ARA:AWOODRUFF  
-----130008Z 014827 /67  
R 122336Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY NASSAU

C O N F I D E N T I A L STATE 056024

STADIS//////////

E.O. 11652: GDS

TAGS: AMGT, PFOR, BF

SUBJECT: PARM

REF: 1)STATE 38338, 2)STATE 38356, 3)STATE 45461

1. PROXIMITY OF BAHAMAS TO U.S. COAST INDICATES THAT  
PRIMARY US INTEREST IS MAINTENANCE OF FRIENDLY RELATIONS  
AND INTIMATE COOPERATION WHICH FACILITATES WIDE VARIETY  
OF AMERICAN ACTIVITIES IN THE ISLANDS -- MILITARY FACI-  
LITIES, TRADE, TOURISM, LAW ENFORCEMENT, AND NARCOTICS  
INTERDICTION.

2. A SECOND MAJOR INTEREST IS TO PREVENT THE GCOB PRESSING  
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ITS ARCHIPELAGO CLAIM IN SUCH A WAY AS TO JEOPARDIZE  
THE US POSITION ON FREE PASSAGE IN THE LOS NEGOTIATIONS.

3. IT SEEMS LIKELY THAT US/BAHAMIAN RELATIONS OVER THE  
NEXT FEW YEARS WILL BE DOMINATED BY THE BAHAMIAN DESIRE  
FOR RECOGNITION OF ARCHIPELAGO AND POSSIBLY BY OFFSHORE  
BANKING ISSUES. OTHER IMPORTANT ISSUES WILL INCLUDE

LOS AND FISHERIES, LAW ENFORCEMENT PROBLEMS, AND THE MILITARY FACILITIES AGREEMENT. DEPARTMENT WOULD WELCOME SUGGESTIONS FOR HANDLING ARCHIPELAGO ISSUE AND ESPECIALLY ON HOW TO MAINTAIN SATISFACTORY WORKING RELATIONSHIP IF US REMAINS UNABLE TO RECOGNIZE ARCHIPELAGO.

4. SCOPE OF BANKING PROBLEM IS ONLY BEGINNING TO EMERGE. THIS MAY BECOME A MAJOR IRRITANT AS CONGRESS AND OTHER AGENCIES FOCUS ON VARIOUS ASPECTS OF OFFSHORE BANKING INDUSTRY AND AS US EFFORTS TO REGULATE OFFSHORE ACTIVITIES OF US BANKS AND PURSUE TAX EVADERS COME INTO CONFLICT WITH BAHAMIAN BANK LAWS AND PRACTICES. EMBASSY MAY WISH TO COMMENT ON THIS PROBLEM AND PROPOSE COURSES OF ACTION DESIGNED TO EDUCATE GCOB ON SCOPE AND NATURE OF THE PROBLEM AND TO SATISFY LEGITIMATE INTERESTS OF USG.

5. IN RESOURCE ASSESSMENTS, EMBASSY MAY WISH TO INCLUDE DISCUSSION OF REQUESTS BY OTHER AGENCIES TO ESTABLISH OFFICES IN NASSAU AND TO PROPOSE SOLUTIONS TO VARIOUS REAL ESTATE QUESTIONS.

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RECOGNITION, FOREIGN RELATIONS, ISLAND CLAIMS, INTERGOVERNMENTAL COOPERATION  
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**Copy:** SINGLE  
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**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Office:** ORIGIN ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
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**Previous Classification:** CONFIDENTIAL  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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US Department of State  
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